

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 DODE-00 PA-01 USIA-06 PRS-01 SP-02
/041 W

-----080224Z 101930 /73

R 071418Z APR 77
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 1385
INFO TREASURY WASHDC

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E.O. 11652: N/A
TAGS: ELAB, MX
SUBJECT: CTM SIGNALS INTENTIONS TO PUSH FOR GENERAL WAGE
INCREASE

1. APRIL 5 PRESS REPORTS STATEMENT BY CTM GEN/SECY FIDEL
VELASQUEZ TO EFFECT THAT HIS ORGANIZATION WILL SEEK NEW
ROUND OF GENERAL WAGE INCREASES SOMETIME AFTER END OF MAY
BECAUSE OF "AVALANCHE OF PRICE INCREASES" WHICH WORKERS
HAVE EXPERIENCED IN PAST MONTHS. HE GAVE NO HINT OF
SPECIFIC AMOUNTS IT WOULD DEMAND. APRIL 6 PRESS CARRIED
SEVERAL REBUTTALS FROM EMPLOYERS TO THE EFFECT THAT THEY
WOULD FIGHT SUCH A MOVE.

2. COMMENT: THE CTM AND OTHER PRI SUPPORTING LABOR
UNIONS GET HIGH MARKS IN MOST QUARTERS FOR HONORING THEIR
COMMITMENT TO PRESIDENT LOPEZ PORTILLO TO HOLD WAGE
DEMANDS WITHIN PROMISED LIMITS DURING THE FIRST SIX MONTHS
OF THE NEW ADMINISTRATION. MOST COLLECTIVE CONTRACTS
NEGOTIATED THIS YEAR HAVE NOT EXCEEDED THE JANUARY 1977
PATTERN OF 10 PERCENT BY MORE THAN ONE OR TWO PERCENTAGE
POINTS. LABOR HAS PROBABLY BEEN MORE SUCCESSFUL IN HOLD-
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ING THE WAGE LINE THAN THE GOM HAS HAD IN CONTROLLING
PRICES AT THE RETAIL LEVEL.

3. WE DOUBT HOWEVER THAT VELASQUEZ END-OF-MAY DEADLINE
WILL END EFFECTIVE COOPERATION BETWEEN LABOR AND THE
PRESIDENT OR WILL SIGNAL THE CTM'S WITHDRAWAL FROM THE
ALLIANCE FOR PRODUCTION PACT. WE HAVE INFORMATION THAT

SOME IN THE PRI HAVE INTERPRETED HIS REMARKS MORE AS
FODDER FOR HIS MILLION AND A HALF MEMBERS WHO UNDOUBTEDLY
FEEL SOMETHING OF AN ECONOMIC PINCH, THAN A FIRM STATEMENT
OF INTENTION. WORKERS ARE PRESSURING THEIR LEADERSHIP FOR
SOME ECONOMIC RELIEF HOWEVER AND JUNE AND JULY WILL
UNDOUBTEDLY PRODUCE GENERAL WAGE DEMANDS. HOW MUCH WILL
DEPEND ON THE CONSUMER PRICE EXPERIENCE DURING THE
NEXT TWO MONTHS. THOMPSON.

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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Sent Date: 07-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review Release Date: n/a
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